

Subcommittee on Coast Guard and Maritime
Transportation
Of The U.S. House Committee on
Transportation and Infrastructure

Hearing on
Transportation Worker Identification
Credential Implementation

Testimony by:

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Good morning and thank you for giving us the opportunity to testify on the Transportation Worker Identification Credential. Close Congressional oversight of this program will be important if we are to maintain the balance between commerce and security in our maritime industry.

My name is Otto Candies, III and I am Secretary/Treasurer of Otto Candies, LLC. I am testifying on behalf of the Offshore Marine Service Association, where I serve as Vice Chairman. OMSA is the national trade association representing the owners and operators of vessels that support America's offshore oil and gas industry. OMSA member vessels carry every piece of equipment and many of the workers needed to explore and produce our offshore energy resources.

I am part of the third generation involved in our family-owned business. We own some 50 vessels and employ well over 200 mariners who may be required to obtain TWIC cards.

My company and our industry has come a long way since my grandfather, Captain Otto Candies, started the company in 1942 with one boat, a wooden lugger, working for one customer who wanted to explore for oil in the marshes of Louisiana. Today that first customer is still one of our best customers. I stress that to point out that our company and

our industry takes its responsibilities seriously, whether it is responsibility to our customers or, in the case of security, the responsibility to the country and the American people.

The Commandant has talked about the need to “buy down risk” in the maritime sector, meaning to take the steps and commit the resources to reduce the threat of terrorist attack. Here is how our industry “buys down risk:”

- We have worked with the Coast Guard to develop comprehensive industry-wide security plans for our vessels.
- We have trained and drilled our crews on the requirements of those security plans, so that even the newest, least experienced mariner on one of our vessels understands his or her responsibility to maintain security.
- We have installed AIS tracking devices on our vessels.
- Significantly, the Coast Guard puts our mariners through one of the most rigorous background checks of any mariners in the world.

Far and away, we believe that the most important factor that reduces the terrorist threat in U.S. waters is the requirement that our vessels be owned by Americans and crewed by Americans. That single requirement, that mariners on our vessels be U.S. citizens, is the key to protecting our maritime sector from foreign terrorists who would use our vessels as weapons.

However, if U.S. citizens working on U.S. flag vessels in U.S. waters increase our security, anything that creates an obstacle to putting U.S. citizens to work or discourages U.S. citizens from going to sea reduces our security.

Unfortunately, that is our real concern with the TWIC program as it has developed over the past year. Based on everything we have seen and read concerning this program, it seems to be overly complex and overly expensive. In order to obtain a TWIC card, an entry-level mariner must:

1. Travel to a processing center;
2. Pay a fee that appears to be well above the actual cost of the card;
3. Wait for the process to be completed and;
4. Return to the processing center to pick it up.

Then he must go through a separate process, including an additional background check and an additional separate fee in order to obtain a mariner credential...all in order to prove he is not a terrorist. Imagine a young prospective employee considering a career in our industry, only to be told that he or she will have to go through a protracted process and face potentially long delays before starting work. We support background checks. As I mentioned earlier, our mariners already go through a very comprehensive background check from the U.S. Coast Guard. However, if the system is too cumbersome and expensive and if it sends the signal to mariners that they can't be trusted, it will harm our ability to maintain security in ways we can't even measure.

Making matters worse, the delays and unexplained changes in the program are creating uncertainty and worry for mariners and their industry. Under the regulations, mariners must obtain a TWIC card by September of 2008. They are the only group with a hard deadline for compliance in the regulations. Now the start of TWIC processing has been delayed at least six months and yet there has been no official delay in the deadline for mariners.

We only need to look at the recent change in passport requirements to see what an overly short deadline can do to the processing system. That sudden demand on a system that wasn't prepared for it resulted in thousands of Americans being inconvenienced. That sort of delay in TWIC processing could cripple our industry. We need to learn from the passport example, not repeat it.

At the very least, the deadline for mariners should be delayed by 12 months to September of 2009. That would allow shoreside workers to obtain TWICs in a more timely manner without the added burden of an additional 200,000 mariners trying to obtain their cards at the same time. We would suggest that the agencies go one step further...implement processing for shoreside workers, allow that backlog to clear and then begin processing mariner applications. This will not degrade security because our mariners are already undergoing a more thorough background check with the Coast Guard. On the contrary, by reducing the number of workers trying to obtain TWICs in such a short timeframe it may actually allow the program to succeed.

Just as the delays in passport processing give us some concern over the plan to process TWIC cards, the experience with the "No Fly List" raises the concern that mariners may be wrongly denied TWICs and will need a quick, expedient way to resolve questions that may arise from the background checks. Hopefully the vast majority of transportation workers will sail through the TWIC process without problems and will receive their TWIC card within the time-frames that TSA has estimated. Just as clearly, some potential workers will be permanently rejected based on the disqualifying offenses in the law. However, there will also be a third group that will fall somewhere in the middle. These individuals may have their initial application rejected because of errors or because they committed an offense that requires a judgment call by someone in government. We only raise this because TSA has not publicly discussed the staffing levels or procedures that it intends to put in place to ensure that mariners are not wrongly denied TWIC cards. Lacking that, all we can look at are the problems that have arisen from the "No Fly List."

We are also very concerned about the potential requirement for TWIC readers on vessels. We strongly oppose this for the following reasons:

- The Maritime Transportation Security Act does not require readers and we do not believe that Congress intended for there to be readers on vessels. The concept of readers on vessels originated with the agencies and is nearly universally opposed by vessel operators.
- The agencies have never explained how readers on vessels would reduce risk in a cost effective manner even though by OMSA's estimates readers on vessels would conservatively cost the offshore vessel fleet alone 100 million dollars.

- While we agree that the background checks envisioned by TWIC (and currently provided by Coast Guard background checks) provide companies with an effective way to vet prospective mariners in the hiring process, readers on vessels will be more of a hindrance than a help.
- The relatively small crews on offshore vessels are assigned to specific vessels by the company and may work together for years at a time. In other words, it would be hard for a foreign terrorist to simply show up and go to work on a vessel.
- Finally, we question the reliability of the readers on offshore vessels. We work in hot humid waters of the Gulf of Mexico. Soon we will be working in frigid waters of the arctic. Despite Congress' direction to test these readers under all conditions before requiring them, the agencies have still not explained how they intend to run the tests even as they begin planning the reader requirement.

Let me take this opportunity to give credit to the Coast Guard for one part of this process that it has handled very well. In the last week, the Coast Guard released Navigation And Vessel Inspection Circular No. 03-07, which outlines how the TWIC requirement will be implemented and enforced for vessels and facilities. The document focuses on who will be required to carry a TWIC and how non-TWIC holders will be monitored on vessels and at facilities. While OMSA has not had the time to fully analyze this document, from our initial reading, it appears that the Coast Guard has worked hard to incorporate many of the concerns of industry and to arrive at solutions that allow us to continue maintain security without stymieing our ability to operate.

Finally, we understand an amendment addressing temporary access by newly hired workers awaiting their TWIC cards to be processed may be offered when the Coast Guard Authorization Act of 2007 goes to the House floor. While we agree with the concept and, indeed, first recommended the need for a process to put new hires to work while they wait for their TWIC cards to be processed, the amendment as offered is unnecessarily limited because it only offers the temporary access for towing vessel crews. If it is expanded to include offshore vessels and passenger vessels, it will receive our wholehearted support.

In conclusion, OMSA and its members take the responsibilities for security very seriously and want to be a partner with Congress and the agencies in ensuring security. However, we believe that we can only accomplish that with a process that incorporates the needs and unique operations of our vessels and our greatest asset – American workers. Thank you and I would be happy to answer any questions.